

TO ALL CREDITORS, LANDLORDS AND EMPLOYEES

8 November 2012

Dear Sir/Madam

Re: Retail Adventures Pty Limited
ACN 135 890 845
(Administrators Appointed) (“the Company”)

David John Frank Lombe, John Lethbridge Greig and I were appointed Joint and Several Administrators of the abovenamed Company on 26 October 2012 pursuant to Section 436A of the *Corporations Act 2001* (“the Act”).

As foreshadowed in our Circular to Creditors dated 29 October 2012 and advised at the First Meeting of Creditors which took place on 7 November 2012 the Joint Administrators will be making an application for an extension to the Convening Period for a period of 90 days.

The Joint Administrators believe that an extension to the Convening Period will be in the best interests of creditors and allow the Administrators time to complete their investigations, to complete a business sale and or consider any Deed of Company Arrangement that may be forthcoming.

It will afford potential purchasers of the business the time required to enter into discussions with key stakeholders, such as property landlords and equipment lessors, and to obtain an assignment of the leases. If any of the leases are not able to be assigned, the potential purchasers will have sufficient time to make alternative arrangements. It is our view that the further period of time will maximise the chances of the business continuing to trade.

It is the Joint Administrators’ opinion that a Deed of Company Arrangement and or a sale of the business and assets is likely to result in a better return to all creditors as a whole compared to alternative scenarios, for example a Liquidation, and is expected to result in the retention of a significant proportion of employees and continuity of supply to customers and trade with key suppliers.

The application to the extend the Convening Period is listed for hearing before Justice Jagot in the Federal Court, Queens Square, Sydney at 9.30am on Wednesday 14 November 2012.

Creditors, landlords and employees are not required to take any further action at this stage unless they object to the Administrators application seeking an extension to the convening period. Should you have any objections, you may contact our legal advisors, Herbert Smith Freehills for further information. Queries should be directed to Christine Hilder at Christine.hilder@hsf.com or (02) 9225 5858.

We will advise creditors, landlords and employees of the outcome of the application to Court. Should you have any questions in relation to this matter, please contact Teresa Chan of this office on (02) 9322 3834 or by email terchan@deloitte.com.au.

Yours faithfully

Vaughan Neil Strawbridge
Joint and Several Administrator